

MICHIGAN DEPARTMENT OF COMMUNITY HEALTH

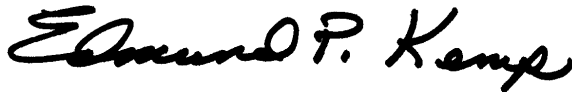
NOTICE OF PROPOSED POLICY

Public Act 280 of 1939, as amended, and consultation guidelines for Medicaid policy provide an opportunity to review proposed changes in Medicaid policies and procedures.

Please review the policy summary and the attached materials that describe the specific changes being proposed. Let us know why you support the change or oppose the change.

Submit your comments to the analyst by the due date specified. Your comments must be received by the due date to be considered for the final policy bulletin.

Thank you for participating in the consultation process.



Director, Program Policy Division  
Bureau of Medicaid Policy and Actuarial Services

<b>Project Number:</b>	0741-PHARM	<b>Comments Due:</b>	January 18, 2008	<b>Proposed Effective Date:</b>	March 1, 2008
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**Policy Subject:** Changes to Pharmacy Claim Submission Requirements

**Affected Programs:** Medicaid, Maternity Outpatient Medical Services (MOMS), Children's Special Health Care Services (CSHCS), Adult Benefits Waiver, and Plan First!

**Distribution:** Pharmacy

**Policy Summary:** This policy informs pharmacy providers of the changes in pharmacy claim submission requirements for MDCH programs.

# Proposed Policy Draft

Michigan Department of Community Health  
Medical Services Administration

**Distribution:** Pharmacy

**Issued:** February 1, 2008 (Proposed)

**Subject:** Changes to Pharmacy Claim Submission Requirements

**Effective:** March 1, 2008 (Proposed)

**Programs Affected:** Medicaid, Maternity Outpatient Medical Services (MOMS), Adult Benefits Waiver, Children's Special Health Care Services, and Plan First!

The purpose of this bulletin is to inform pharmacy providers of the changes in pharmacy claim submission requirements.

Effective March 1, 2008, the Michigan Department of Community Health (MDCH) is initiating changes to pharmacy claim submission requirements to assist in the coordination of benefits with other insurers, comply with recently passed federal laws, and to accurately capture rebates for outpatient drugs.

## Timely Filing Limit

Effective March 1, 2008, the MDCH timely filing limit for all pharmacy (originals, reversals and adjustments) claims will be expanded from 180 days to 365 days from the date of service. Claims that exceed the new timely filing limit will be denied.

## Unit of Measure

Effective March 1, 2008, the MDCH Pharmacy Benefits Manager (PBM) will require the submission of the Unit of Measure (NCPDP Field 600-28) for all pharmacy claims. This requirement will prevent the improper billing of products that have a non-traditional dosing format (e.g., pre-filled syringes, injectables, inhalers) and assist the MDCH in accurately calculating rebates.

The Unit of Measure qualifiers are:

- EA represents each
- GM represents gram
- ML represents milliliter

All claims submitted without a valid unit of measure qualifier will be denied with one of the following edits:

- NCPDP 26 - Missing/Invalid Unit of Measure, if the Unit of Measure is not submitted.
- NCPDP PZ - Non-Matched Unit of Measure to Product/Service ID, if the Unit of Measure does not match the Drug Form reported by First DataBank.

Refer to the appropriate NCPDP document(s) (available at [www.ncdp.org](http://www.ncdp.org)) for further information.

### **Prescription Types**

Effective March 1, 2008, the MDCH PBM will require providers to report the type of prescription that was presented at the pharmacy to assist in complying with the impending federally mandated tamper resistant prescription pad policy. The NCPDP Prescription Original Code (NCPDP Field 419-DJ) identifies the type of prescription that was presented at the pharmacy. The NCPDP values that a pharmacy provider can report as the Prescription Original Code are:

- 1 = Written
- 2 = Telephone
- 3 = Electronic
- 4 = Facsimile

A denial will occur if one of the above values is not submitted on the claim.